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Singapore Business Federation Bill

Bill No. 40/2001.

Read the first time on 25th September 2001.

THE SINGAPORE BUSINESS FEDERATION ACT 2001

(No. of 2001)

ARRANGEMENT OF SECTIONS

Section

1. Short title and commencement
 2. Interpretation
 3. Objects of Singapore Business Federation
 4. Composition of Council
 5. Membership of Singapore Business Federation
 6. Appointment of Board
 7. Functions and powers of Board
 8. Accounts to be kept
 9. Access to accounts
 10. Dissolution of Singapore Business Federation
 11. Act to prevail over Constitution of Singapore Business Federation
 12. Subscriptions payable by members
 13. Power to make regulations
 14. Related amendment to Small Claims Tribunals Act
- The Schedule — Local Ethnic Chambers of Commerce and Industry
-

A BILL

i n t i t u l e d

An Act to provide for membership of certain local and foreign companies in the Singapore Business Federation and for certain matters relating to the management and operation thereof, and to make a related amendment to the Small Claims Tribunals Act (Chapter 308 of the 1998 Revised Edition).

Whereas a society known as the “Singapore Business Federation” has been registered under the Societies Act (Chapter 311 of the 1985 Revised Edition) and has as its objects the enhancement of the organisation of the business community in Singapore and the
5 representation, advancement, promotion and protection, in Singapore and abroad, of the major business concerns (such as investment and trade opportunities and labour management issues)

of business entities carrying on commerce and industry in Singapore and, in particular, of larger local and foreign companies.

And Whereas it is desirable that statutory provision be made to provide for membership and participation by larger local and foreign companies in the Singapore Business Federation. 5

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Singapore Business Federation Act 2001 and shall come into operation on such date as the Minister may, 10 by notification in the *Gazette*, appoint.

Interpretation

2. In this Act, unless the context otherwise requires —

“authorised person” means a person authorised by the Board;

“Board” means the Board of Trustees of the Singapore Business 15 Federation as referred to in its Constitution;

“Constitution”, in relation to the Singapore Business Federation, means the instrument constituting the Singapore Business Federation and containing the rules thereof, and subject to which the Federation is registered under the Societies Act 20 (Cap. 311);

“Council” means the Council of the Singapore Business Federation as referred to in its Constitution;

“foreign chambers of commerce and industry” means any organisation in Singapore which represents the interests of 25 persons from a foreign country, or any region or part of such foreign country, who are carrying on business in Singapore;

“foreign company” means a foreign company which is registered under Division 2 of Part XI of the Companies Act (Cap. 50) or under any corresponding previous written law; 30

“local company” means a company incorporated under Division 1 of Part III of the Companies Act or under any corresponding previous written law;

“rules”, in relation to the Singapore Business Federation, has the same meaning as in section 11 (3) of the Societies Act (Cap. 311);

5 “Singapore Business Federation” means the society registered under the Societies Act by that name, and “Federation” shall be construed accordingly.

Objects of Singapore Business Federation

3. The objects of the Singapore Business Federation are —

- 10 (a) to enhance the organisation of the business community in Singapore; and
- (b) to represent, advance, promote and protect, in Singapore and abroad, the major business concerns (such as investment and trade opportunities and labour management issues) of business entities carrying on commerce and industry in
- 15 Singapore and, in particular, of larger local and foreign companies.

Composition of Council

4.—(1) The Council shall consist of such members as may be specified in the Constitution of the Singapore Business Federation

20 who shall include —

- (a) one nominee from each of the local ethnic chambers of commerce and industry specified in the Schedule; and
- (b) such number of representatives from foreign chambers of commerce and industry, not exceeding $\frac{1}{4}$ of the total number
- 25 of members of the Council.

(2) The Minister may, by order published in the *Gazette*, amend, add to or vary the Schedule.

Membership of Singapore Business Federation

5.—(1) Every —

- 30 (a) local company which has a paid-up share capital of or above the amount of \$500,000; and
- (b) foreign company which has an authorised share capital of or above the amount of \$500,000,

shall become, by virtue of this section and without election, admission

35 or appointment, a member of the Singapore Business Federation,

unless the membership of such local or foreign company is terminated in accordance with the Constitution of the Federation.

(2) The Minister may, by order published in the *Gazette* —

- (a) exempt any local or foreign company or any class of local or foreign companies from subsection (1); and
- (b) substitute the amount of paid-up share capital or authorised share capital specified in subsection (1) (a) or (b), as the case may be, with such other amount as he may determine.

Appointment of Board

6.—(1) The Minister shall appoint the Board of Trustees of the Singapore Business Federation, which shall consist of such number of trustees as the Minister thinks fit.

(2) The Minister may appoint one of the trustees on the Board to be the Chairman.

(3) The Chairman and every other trustee on the Board shall hold office on such terms and conditions and for such period as the Minister may determine.

(4) The Minister may, at any time, remove or replace any trustee on the Board and appoint new or additional trustees to the Board.

Functions and powers of Board

7.—(1) The Board shall be responsible for ensuring that —

- (a) the Singapore Business Federation acts in furtherance of its objects as set out in this Act and in its Constitution;
- (b) the funds and assets of the Federation are properly accounted for and safeguarded; and
- (c) the persons who are members of the Council are fit and proper persons to hold such office.

(2) The approval of the Board shall be required for the following matters:

- (a) the annual report and accounts of the Singapore Business Federation;
- (b) the annual budget of the Federation;
- (c) the acquisition, sale, lease, mortgage, alienation or disposal by the Federation of any movable or immovable property of such value as the Board may determine;

- (d) the appointment of members of the Council; and
- (e) any proposed amendment to or variation of the Constitution of the Federation.

Accounts to be kept

5 **8.**—(1) The Council shall —

- (a) cause to be kept full and proper accounts and records of all financial transactions of the Singapore Business Federation;
- (b) ensure that payments out of the funds of the Federation are correctly made and properly authorised; and
- 10 (c) ensure that adequate control is maintained over the assets and receipts of the funds of the Board.

(2) The accounts of the Singapore Business Federation shall be audited by an auditor to be appointed by the Council with the approval of the Board.

15 (3) A person shall not be qualified for appointment as an auditor under subsection (2) unless he is an approved company auditor under the Companies Act (Cap. 50).

(4) The Council shall cause a copy of the audited accounts of the Singapore Business Federation and the auditor's report to be
20 submitted to the Board.

(5) The Minister may, by regulations made under section 13, provide for the proper control and management of the funds of the Singapore Business Federation and for the proper accounting, reporting, auditing and periodic examination of the accounts of the
25 Federation.

Access to accounts

9.—(1) The Board or any authorised person shall be entitled, at all reasonable times, to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of
30 the Singapore Business Federation.

(2) The Board or any authorised person may require any person to disclose or furnish to the Board or authorised person, as the case may

be, such information or document which such person possesses or has access to as the Board or authorised person considers necessary —

- (a) for the purpose of ascertaining whether the funds of the Federation have been applied or expended in accordance with or in furtherance of its objects as set out in this Act and in its Constitution; or 5
- (b) for the proper discharge by the Board of its functions under this Act.
- (3) Any person who —
 - (a) fails, without reasonable excuse, to comply with any requirement of the Board or any authorised person under subsection (2); 10
 - (b) furnishes to the Board or any authorised person any information or document which he knows or has reason to believe is false; or 15
 - (c) hinders, obstructs or delays the Board or any authorised person in the performance by the Board or the authorised person of its or his duties or in the exercise of its or his powers under this section,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000. 20

Dissolution of Singapore Business Federation

10.—(1) The Singapore Business Federation shall not be dissolved without the prior approval of the Minister.

(2) Upon dissolution of the Singapore Business Federation, the movable or immovable property of the Federation shall be disposed of in such manner as may be determined by its members and approved by the Board. 25

Act to prevail over Constitution of Singapore Business Federation

11.—(1) Any provision of the Constitution of the Singapore Business Federation that is inconsistent with this Act shall, to the extent of the inconsistency, be void. 30

(2) Nothing in this Act shall be construed to excuse or exempt the Singapore Business Federation from complying with any written law that, apart from this Act, would apply to it. 35

Subscriptions payable by members

12.—(1) Every local or foreign company that is a member of the Singapore Business Federation by virtue of this Act shall pay to the Federation such annual or periodic subscription of such amount as
5 may be —

(a) determined by the Council after consultation with the Board; and

(b) approved by the Minister.

(2) For the purpose of subsection (1), the Council, after
10 consultation with the Board and subject to the approval of the Minister, may —

(a) divide the members of the Singapore Business Federation into different classes;

(b) determine that different amounts of subscription shall be
15 payable by different classes of such members and for different periods;

(c) vary from time to time, the subscriptions payable by such members or different classes of such members; and

(e) determine the rate of interest that shall be payable by any
20 such member in the event that any subscription due from such member remains unpaid for such period as the Federation may determine.

(3) The amount of subscription prescribed as being payable by any member of the Singapore Business Federation under this section shall
25 not exceed in the aggregate \$1,500 in any calendar year.

(4) Any subscription that is payable to the Singapore Business Federation under this section —

(a) may be recovered by the Council by an action for a debt in any court of competent jurisdiction; and

(b) shall for the purposes of the Small Claims Tribunals Act (Cap. 308) be deemed to be moneys payable under a contract for the provision of services and the Council may lodge a claim for the payment of such subscription with a Small Claims Tribunal in accordance with the provisions of
35 that Act.

Power to make regulations

13. The Minister may make such regulations as may be necessary or expedient for the purposes of this Act.

Related amendment to Small Claims Tribunals Act

14. Section 23 (2) of the Small Claims Tribunals Act (Cap. 308) is amended — 5

(a) by inserting, immediately after paragraph (e), the following paragraph:

“(f) the Council of the Singapore Business Federation as referred to in the Singapore Business Federation Act 10
2001, one of the members of the Council or any employee of the Federation duly authorised by the Council may present the case on the Council’s behalf;” and

(b) by re-lettering the existing paragraphs (f), (g) and (h) as 15
paragraphs (g), (h) and (i), respectively.

THE SCHEDULE

Section 4 (1) (a)

LOCAL ETHNIC CHAMBERS OF COMMERCE AND INDUSTRY

20

1. Singapore Chinese Chamber of Commerce and Industry.
2. Singapore Indian Chamber of Commerce and Industry.
3. Singapore Malay Chamber of Commerce and Industry.

EXPLANATORY STATEMENT

This Bill seeks to provide for membership of certain local and foreign companies in the Singapore Business Federation (a society registered under the Societies Act (Cap. 311)) and for certain matters relating to the management and operation thereof, and to make a related amendment to the Small Claims Tribunals Act (Cap. 308).

Clause 1 relates to the short title and commencement.

Clause 2 defines certain terms used in the Bill.

Clause 3 sets out the objects of the Singapore Business Federation (referred to as the Federation).

Clause 4 (read with the Schedule) relates to the composition of the Council of the Federation.

Clause 5 provides for certain local and foreign companies to become, by virtue of that clause and without election, admission or appointment, members of the Federation, unless the membership of any such local or foreign company is terminated in accordance with the Constitution of the Federation.

Clause 6 relates to the appointment of the Board of Trustees of the Federation (referred to as the Board).

Clause 7 sets out the functions and powers of the Board.

Clause 8 requires the Council of the Federation to keep full and proper accounts and records of all financial transactions of the Federation. The clause also provides for the auditing of the accounts of the Federation.

Clause 9 provides for the Board or any person authorised by the Board to have full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions of the Federation. The clause also —

- (a) empowers the Board or any person authorised by the Board to require any person to disclose or furnish any information or document as may be necessary for the purpose of ascertaining whether the funds of the Federation have been applied or expended in accordance with or in furtherance of its objects as set out in the Bill and in the Constitution of the Federation, or for the proper discharge by the Board of its functions under the Bill; and
- (b) makes it an offence for any person —
 - (i) to fail, without reasonable excuse, to comply with any requirement of the Board or any person authorised by the Board in respect of the disclosure or furnishing of any information or document;
 - (ii) to furnish any information or document which he knows or has reason to believe is false; or
 - (iii) to hinder, obstruct or delay the Board or any person authorised by the Board in the performance of its or his duties or in the exercise of its or his powers under the clause.

Clause 10 provides that the Singapore Business Federation cannot be dissolved without the prior approval of the Minister and that the movable and immovable property of the Federation will, upon its dissolution, be disposed of in such manner as may be determined by its members and approved by the Board.

Clause 11 provides for the provisions of the Bill to prevail over any provision of the Constitution of the Federation that is inconsistent with the provisions of the Bill.

Clause 12 relates to the subscriptions payable by any local or foreign company that is a member of the Federation by virtue of the Bill. Such subscriptions will be

determined by the Council after consultation with the Board, and has to be approved by the Minister. Any unpaid subscriptions may be recovered by the Council of the Federation by an action for a debt in any court of competent jurisdiction or by way of a claim before the Small Claims Tribunals.

Clause 13 empowers the Minister to make such regulations as may be necessary or expedient for the purposes of the Bill.

Clause 14 makes a related amendment to section 23 (2) of the Small Claims Tribunals Act (Cap. 308) to specify the persons who may bring a claim thereto for the recovery of subscriptions due and owing to the Federation.

The Schedule (which is to be read with clause 4 (1) (a)), names the various local ethnic chambers of commerce and industry which are to be represented on the Council of the Federation.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
